

INITIAL RECOMMENDATION SUMMARY FORM

WORKGROUP: AGING IN PLACE

STRATEGIC ISSUE:

1. Evaluate the feasibility of expanding the MI Choice Medicaid Waiver into additional settings (including licensed and unlicensed settings) with increased deployment of Housing Choice Vouchers (HCV's) to other counties.

INITIAL RECOMMENDATION(S):

1. Develop a plan to increase the number of MSHDA HCV's for statewide roll out of the Affordable Assisted Housing Program (AAHP). A formula should be developed based on population of elderly/disabled to ensure adequate distribution of vouchers throughout the state. Vouchers could be rolled out incrementally. In order for this to be successful:
 - Expand statewide the exemption to the rule restricting rent to 40% of family income
 - Change the Housing Quality Standards (HQS) to exempt Assisted Living facilities from the requirement to provide a kitchen
 - Change the federal family contribution requirement to allow nonresident family members to contribute financial support
 - Obtain HUD approval for expansion of HCV use across the state
2. MSHDA should support expansion of the program to allow individuals a choice of where to receive both HCV and MIChoice waiver benefits including various community-based settings, such as:
 - Independent living apartments and single family homes
 - Continuing Care Retirement Communities (CCRC's)
 - Licensed or unlicensed Assisted Setting
 - Project Based: This model should be explored in rural or city setting whenever possible
3. Expand the AAHP to effectively coincide with development/roll-out of the Single Points of Entry (SPE). In 2006, the state of Michigan will begin implementation of a 10-year plan called Modernizing Michigan Medicaid Long-Term Care, with the development of Pioneer SPE sites.

STRATEGIC ISSUE:

2. Develop opportunities to more effectively link services to single family homes, apartments, and other independent elderly developments Identify ways to link services into independent elderly developments.

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INITIAL RECOMMENDATION(S):

1. Improve access to information among housing and aging network service providers by:
 - Developing an on-line system to create an interactive website that includes in real time the types of housing available. This should include MSHDA housing, HUD housing, licensed AFC/HFA, licensed nursing homes, rural housing, and private, for-profit housing
 - Promoting utilization of the elder care locator (Area Agencies on Aging or “aaa” networks) locally through media, to housing providers and persons living in single-family homes
 - Developing an information packet that can be mailed to all housing providers to educate them about the elder care locator and local area agency on aging Information and Assistance programs
 - Coordinating all activities with development of the Single Point of Entry (SPE) and Modernizing Michigan Medicaid Long Term Care Task Force Recommendations
 - Coordinating with the Office of Long Term Care, newly created within the Department of Community Health
2. Redefine care management service models to allow linkage of services to seniors wherever they live by:
 - Expanding the range of Care Management options/models (including: Case Management; Supports Coordination; Service Coordination; Outreach; Resource Advocacy and Self-Determined Care; Naturally Occurring Retirement Communities) to strengthen array of choices and maximize efficient utilization & deployment of existing dollars
 - Exploring how MSHDA could help to support Care Management as a service that could link directly to senior buildings
 - Allowing individuals to co-pay (or cost share) for needed services. Perhaps, family members could contribute – not as a mandate – but as a voluntary thing to do
 - Providing training for volunteers or family members to assist with care management functions (e.g., senior companions)
 - Increasing the number of piloted self-determination sites in the state
3. Partnering with home health care agencies to provide services to residents on-site via private-pay and Medicaid waivers.
4. Expand home environment modification programs to include single and multi-family homes by:
 - Exploring additional/alternative resources to fund home environment modifications to promote livability and increased visit-ability
 - Having MSHDA coordinate a volume-buying program for home environment modification equipment (i.e., grab bars, outdoor railings, ramps)
 - Recommending including home environment modification as a Medicaid benefit (not just for the MI Choice Waiver), but for all Medicaid recipients
 - Expanding and replicating the Tuesday Toolmen Program (a home repair program utilizing RSVP volunteers) to help support home environment modifications
 - Promoting the use of Reverse Mortgages to help modify the home environment to allow people to age in place

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STRATEGIC ISSUE:

3. Develop a program to preserve the affordability and availability of subsidized senior housing.

INITIAL RECOMMENDATION(S):

1. Use HUD data to develop a database of 202 preservation-eligible projects with specific information on each project.
2. Develop a marketing strategy to inform 202 owners of various financing products that may be available.
3. Research what other states are offering as preservation tools.
4. Identify the marketing being done by conventional lenders to 202 project owners.
5. Organize and conduct an outreach session at the 2006 Michigan Conference on Affordable Housing specifically regarding 202 preservation.
6. Develop and implement a team comprised of staff from HUD, MSHDA, experienced nonprofits that are involved with 202s, and equity sources to be technical assistance providers. This team will assess the viability of the original sponsors and execute an acceptable strategy to assist owners in identifying whether refinance is a viable option for them.

STRATEGIC ISSUE:

4. Develop a plan to establish up to six pilot Continuing Care Retirement Communities (CCRC) projects.

INITIAL RECOMMENDATION(S):

1. Define the concept, document ways to make CCRCs affordable, and document lessons learned for possible replication.
2. Create a one-stop financing for CCRC projects in Michigan. For example, eliminate the financing limitations in PA 38, 1969 that preclude government owned and unlicensed facilities from having access to these programs.
3. Obtain approval under the Social Security Act to require Michigan to obtain a project-based Medicaid waiver allowing services to be provided to residents in alternative living environments.

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4. Explore the benefits of MSHDA being involved in the development of Programs for All-Inclusive Care for the Elderly (PACE) on CCRC campuses.
5. Promote and protect the tax abatement available to future or existing housing developments that may be owned by a non-profit housing corporation, consumer housing cooperative or Limited Dividend Housing Associated Limited Partnership.
6. Clarify the language of the Michigan Living Care Disclosure Act, PA 440 1976 to clearly define a category for a CCRC. This definition would allow the use of entrance deposits to assist in capitalization.
7. Create greater opportunities to access capital for organizations wishing to develop additional levels of care along the continuum.
8. Set aside Low-Income Housing Tax Credits for funding CCRCs.

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WORKGROUP: ENDING HOMELESSNESS

STRATEGIC ISSUE:

1. Promote Transition to “Housing First” Orientation for Homeless Populations.

INITIAL RECOMMENDATION(S):

1. Create policy and financial incentives for shelter providers that will foster more rapid movement of people who are homeless into permanent housing, including:
 - Adopt and support consistent definitions/practices for “Housing First” and “Rapid Re-Housing”
 - Target or re-direct use of emergency shelter funding to support shift from “sheltering” to “interim emergency housing” and rapid relocation
2. Assure that adequate and appropriate supportive services are actively & accessibly linked to “housing first” options for homeless persons.
3. Fund shelter-based and/or community-based homeless housing advocates to support rapid exit and successful re-housing.
4. Implement a web-based Housing Locator to promote more rapid re-housing.
5. Provide training and technical assistance to assist programs and communities in implementing “housing first” strategies.
6. Partner with public systems of care in assuring rapid re-housing for at-risk persons to prevent exit from institutions into homelessness (e.g., Department of Corrections & prisoner re-entry, Department of Human Services & youth aging out of foster care).

STRATEGIC ISSUE:

2. Increase Access to Existing Housing for Homeless and At-risk Populations.

INITIAL RECOMMENDATION(S):

1. Increase commitment of resources (federal, state, and local) that support access to existing housing through time-limited transitional supportive housing, including:

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- Transitional rent subsidies limited to not more than 24 months
 - Time-limited rent subsidies (up to 5 years) that gradually decline over time
2. Expand targeting of Housing Choice Vouchers to provide permanent housing subsidies for homeless populations, including:
 - Creation of a feasible set-aside of both tenant-based and project-based vouchers from MSHDA
 - Engagement of local Public Housing Agencies (PHA's) in targeting both tenant-based and project-based Housing Choice Vouchers
 3. Expand housing opportunities in existing housing through creation and support of working partnerships with property owners/managers and implementation of pro-active eviction prevention strategies.
 4. Develop strategies in support of housing-service partnerships that enable increased use of vacant units in federally subsidized developments.
 5. Develop strategies that assist homeless and at-risk households to overcome obstacles of poor credit, poor rental history and/or criminal history in applying for existing housing units.
 6. Address negative impacts of federal, state, and local policies that limit access to government-subsidized housing ~ i.e., discrimination against persons with history of substance abuse or criminal records.
 7. Explore the use of an escrow/revolving deposit fund for landlord damage guarantees (i.e., document effectiveness of models currently in place and identify potential funding sources).

STRATEGIC ISSUE:

3. Increase Housing Production Targeted to Homeless and At-Risk Populations.

INITIAL RECOMMENDATION(S):

1. Assure that housing created will be affordable to a broad array of extremely low-income households, including those who are dependent on public assistance, disability benefits or working at or below minimum wage.
2. Identify and commit new revenue streams to be invested through the Michigan Affordable Housing & Community Development Fund, and assure that housing produced with these resources is targeted to people who are homeless as a priority.
3. Facilitate partnerships with the private sector to incentivize set-asides of affordable units for homeless populations within new housing under development.
4. Develop models of supportive housing to be targeted to homeless sub-populations (in conjunction with strategies being developed through the

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“Supportive Housing” Workgroup), including:

- Models designed for specific sub-populations (e.g. domestic violence, offenders, youth-in-transition)
 - Flexible models for persons who are most difficult to serve or engage (e.g., chronically homeless)
5. Develop plans to promote local support for increasing production of affordable housing and/or supportive housing for homeless populations (e.g., adoption of inclusionary zoning, Payment In Lieu of Taxes, etc.).
 6. Decrease regulatory barriers and streamline development processes to promote affordable housing for homeless populations.
 7. Explore the use of lower-cost housing technologies as a means to decrease the over-all cost of housing development (e.g., “straw houses”, composite materials, “green” building, etc.).

STRATEGIC ISSUE:

4. Increase Access to Supportive Services for Homeless and At-Risk Populations.

INITIAL RECOMMENDATION(S):

1. Increase availability of service staffing targeted to achieving housing stabilization outcomes – both at agency & community level.
2. Develop comprehensive and integrated community-based prevention systems, and assure that resources are available to support them.
3. Increase income for homeless and at-risk populations by targeting workforce development resources and by linking supportive housing with employment supports.
4. Develop strategies that assure appropriate and effective outreach and engagement services for hard to reach populations.
5. Develop strategies that increase access to Medicaid, SSI/SSDI, and VA benefits for hard to engage populations.
6. Increase access to broad array of essential services that support housing success and stabilization (e.g., credit repair, financial literacy, site-based case management, child care, and transportation supports).
7. Build on active cross-systems partnerships to assure access to services.
8. Support “braiding” and “blending” of State funding resources for more flexible/creative support of essential services.
9. Adopt evidence-based strategies in providing housing success and stabilization services .
10. Design homeless programs and services to address special challenges in serving rural populations.

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11. Enhance staff development and training that helps to motivate, retain, and improve performance of line workers in homeless services.
12. Encourage federal, state and local funders to fund supportive services incorporated in affordable and supportive housing.
13. Identify and address policy barriers that prevent service agencies from delivering needed supports to assure housing stability (e.g., issues related to eligibility, etc.).

STRATEGIC ISSUE:

5. Invest in Development of “Systems Infrastructure” in Support of Key Activities for Ending Homelessness.

INITIAL RECOMMENDATION(S):

1. Assure full integration and implementation of recommendations emerging from Governor’s Policy Academy on Homeless Families and Children.
2. Assure that plans for ending homelessness are locally-focused, based on engagement of local stakeholders, and integrated with emerging local 10-Year Plans in addressing locally identified gaps.
3. Establish use of common “housing status” indicators across all state agency data systems and statewide HMIS.
4. Establish use of common outcomes measures for shelter, transitional housing, and supportive housing providers (regardless of targeted sub-populations), to be documented through HMIS.
5. Develop cross-systems data management and analysis technologies to assist in documenting systems outcomes and promoting systems change.
6. Establish common housing and service quality standards – and an associated monitoring/management plan – for emergency shelter, transitional housing, and permanent supportive housing.
7. Build public support and political will for ending homelessness through strategies identified.

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WORKGROUP: HOMEOWNERSHIP

STRATEGIC ISSUE:

1. Foreclosure and Default Counseling and Education: Is the available default avoidance and foreclosure prevention counseling/education sufficient to address needs?

INITIAL RECOMMENDATION(S):

1. MSHDA Single Family (SF) to expand foreclosure prevention curriculum by year ending 2006.
2. MSHDA to evaluate the feasibility of reinstating foreclosure prevention funding for MSHDA loans only. One time maximum payout of \$5,000 due on sale, transfer or refinance of the property.
3. MSHDA SF to provide DMI (mortgage servicing agent) on a periodic basis a list of MSHDA approved counseling agencies that provide default counseling so that referrals can be made from DMI to counseling network when mortgagors are delinquent. (Release of information may need to be obtained at loan closing).

STRATEGIC ISSUE:

2. Students are unaware of the impact of negative credit.

INITIAL RECOMMENDATION(S):

1. Work with the Department of Education and OFIS to determine the feasibility of a statewide initiative for educating students in financial management.
2. Pilot program with a full curriculum for financial management for high school students by September 2006.
3. MSHDA SF staff and network agencies make presentations at schools regarding importance of credit and financial management.
4. MSHDA SF to research additional funding opportunities to support outreach and education for student financial management.

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STRATEGIC ISSUE:

3. Pre-purchase Counseling and Education: Ensure MSHDA sponsored counseling and education programs are meeting the needs of home buyers.

INITIAL RECOMMENDATION(S):

1. MSHDA staff and/or technical assistance provider will review and approve all Network Counseling Agencies curricula to ensure it meets standard requirements set by program guidelines, or will ensure agencies are using MSHDA curriculum material.
2. MSHDA staff and/or technical assistance provider will conduct on site audits to ensure counseling and education meets minimum standards.
3. MSHDA staff to attend counseling sessions provided by the Network to confirm approved curriculum is shared with families.
4. MSHDA to develop an assessment to be given to families enrolled in counseling services. Deadline: FY06/07.
5. At completion of each counseling service category, MSHDA to mandate that each household complete an assessment covering what was learned in the sessions. Deadline FY 06/07.
6. MSHDA SF to allocate a specific dollar amount billable for Housing Counseling services. MSHDA to require counseling agencies competitively bid for funding based on a grant application process. Deadline: FY 06/07.
7. MSHDA SF staff to create a grant application to be submitted on an annual basis by Network agencies. Deadline: FY 06/07.
8. MSHDA SF needs to seek additional funding partners to leverage resources (Michigan Bankers, Michigan Realtors, etc.).

STRATEGIC ISSUE:

4. Too many sub prime and predatory loans and refinances exist in today's market.

INITIAL RECOMMENDATION(S):

1. MSHDA SF, Executive and PR staff lobby to address changes needed in order to combat predatory lending.

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2. MSHDA SF to expand predatory lending curriculum. Deadline FY: 06/07.
3. MSHDA SF to submit grant application to HUD via the SuperNOFA for predatory lending funds. Federal FY 06/07.
4. Explore implementing government mandate requiring education for all sub-prime and predatory loans.
5. MSHDA SF to develop sub prime loan products that have more reasonable fees and rates than those currently available in the market.

STRATEGIC ISSUE:

5. Home Maintenance Education and Home Inspection Service: Is the LINKS home inspection service and home maintenance education being utilized in sufficient quantity?

INITIAL RECOMMENDATION(S):

1. MSHDA to evaluate mandating home inspections prior to loan closing. MSHDA continue to pay for the home inspections. Deadline: FY 06/07.
2. MSHDA SF to update home maintenance curriculum by year ending 2006.
3. MSHDA SF to strongly encourage low income homeowners financed by MSHDA to attend the home maintenance education prior to the end of the first year of homeownership. Deadline: year ending 2006.

STRATEGIC ISSUE:

6. How can barriers to home ownership be addressed and ultimately have more MSHDA loans approved?

INITIAL RECOMMENDATION(S):

1. MSHDA SF to evaluate implications of relaxing underwriting guidelines as they relate to medical collections and FICO scores.

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2. MSHDA SF to evaluate implications of special underwriting concessions to be made for families who have attended LINKS provided financial management classes.
3. MSHDA SF to evaluate implications of increasing DPA to \$10,000. (Either forgiven after 5 years or forgiven after the term of the first lien).
4. MSHDA SF along with Marketing staff measure the assessments taken by families at end of counseling sessions and address any insufficiencies with counseling agencies.
5. MSHDA SF to evaluate implications of matching counseling agencies marketing costs. Up to 50% reimbursement not to exceed \$5,000 from MSHDA available annually to LINKS approved agencies.
6. MSHDA SF staff needs to hit the pavement running to market services in underserved counties. Secure new agencies in counties with no coverage, market services, etc.

7. Establish a Multicultural Emerging Markets Advisory Board to continue dialogue, acknowledge that MSHDA cannot penetrate minority populations alone.

INITIAL RECOMMENDATION(S):

1. Serve as a communication forum to identify key issues and obstacles to homeownership faced by minority populations.
2. Establish plans, partnerships and generate ideas for addressing emerging market homeownership issues.
3. Exchange information about MSHDA programs.
4. Build relationships among members that provide valuable resources.
5. Gain awareness and better understanding of issues facing minorities seeking homeownership.
6. Provide insight on needed MSHDA pilot programs.
7. Identify and understand key obstacles to homeownership within emerging markets.

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STRATEGIC ISSUE:

8. Expand and Target Outreach Efforts.

INITIAL RECOMMENDATION(S):

1. Develop and implement a well-funded, synergistic marketing and outreach campaign pertaining to homeownership opportunities for emerging markets.
2. Establish an outreach-counseling network of emerging market real estate professionals coupled with established community organizations (i.e. social service providers, leaders of faith-based institutions, etc.).
3. Develop and implement a post-purchase services network to assure that emerging markets homeowners have access to information and services pertaining to predatory lending and foreclosure prevention.

STRATEGIC ISSUE:

9. Acknowledge Issues of Race and need to provide Trusted Intermediaries.

INITIAL RECOMMENDATION(S):

1. Expand and continue a dialogue regarding racial and ethnic housing gaps in Michigan.
2. Diversify the homeownership industry. Commitment to expand the number of trusted intermediaries by recruiting real estate professionals from racially and ethnically diverse populations, to help assure knowledge and comfort with the home buying process within emerging market communities.

STRATEGIC ISSUE:

10. Increase Lender participation.

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INITIAL RECOMMENDATION(S):

1. Sign up 40 new lenders—focus on community banks.
2. Increase production to \$200 million per year.
3. Hire Marketing Specialist or Account Executive to market MSHDA products and benefits to recruit new and existing lenders.
4. Establish direct lender referral system.
5. Reduce number of MSHDA forms.
6. Improve pricing to lenders in an effort to increase loan officer compensation. Meet with individual established lenders to determine what increase in compensation would increase originator compensation.
7. Consider allowing lenders to service MSHDA loans.
8. Increase product offerings to include a product offering 100% financing for borrowers with credit scores below 680. Review 100% product offered in partnership with United Guarantee for possible revival.
9. Increase outreach to real estate community. Provide continuing education to increase realtor awareness of benefits of MSHDA to first time homebuyers. Focus on how MSHDA can help realtors better build their business by increasing options to first-time homebuyers through supporting MSHDA products. Give realtors access to participating MSHDA lenders. Have marketing staff give presentations to local real estate boards.
10. Increase availability of lender training at sites outside of Lansing to minimize lender travel. Also, consider offering Webcast training in conjunction with a conference line for lenders to increase lender participation in training.
11. Upgrade lender on line website with a system similar to that of Mass Housing. Provide better navigation with more obvious links to information.
12. Provide Construction/Permanent product to increase affordable options for low-moderate income buyers wishing to build new housing by offering a one note construction option.
13. Provide enhancements for acreage restrictions. Better communicate exception procedure. Allow exceptions without borrower contribution for additional acreage for properties in which the value is unaffected by lot sizes greater than 1-1/2 acres.

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14. Increase DPA to \$7500.
15. Consider ITIN product for immigrants who do not yet have social security numbers.
16. Eliminate requirement for borrowers to pay off collections. Allow underwriter to use a case-by-case basis for requiring payoff.
17. Offer online “Quick Eligibility Check.”

STRATEGIC ISSUE:

11. Increase affordability for low-income borrower (50% AMI) and moderate income borrowers (80% AMI).

INITIAL RECOMMENDATION(S):

1. Increase Down Payment Assistance to allow for reduction of first mortgage to increase affordability of borrowers with dependent children. Better enable borrowers to purchase in “family friendly” communities.
2. Offer one note construction permanent option to increase affordability by reducing closing costs incurred in two note closings.
3. Create mortgage insurance company to provide mortgage insurance for all MSHDA products. Revenue generated will eventually provide forgivable down payment assistance to increase affordability among low income borrowers.
4. Provide options for borrower who may fall victim to “predatory” products with significantly higher rates and fees.
5. Pledge to pay for any recapture tax.
6. Offer Home Choice with MSHDA or as an option within Conventional MSHDA to allow for financing to borrowers with disabilities.
7. Evaluate 40 year terms and variable rate mortgages.

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STRATEGIC ISSUE:

12. Address issues pertaining to the worst areas of economic segregation in Michigan.

INITIAL RECOMMENDATION(S):

1. Collaborate with a school of planning or public policy in MI to develop a measure of economic segregation that is cross-referenced to the homeownership rates.

STRATEGIC ISSUE:

13. Provide homebuyer counselors with information pertaining to affordable lending products.

INITIAL RECOMMENDATION(S):

1. MSHDA's Links to Homeownership staff and members of the home buyer counseling network to create a list of prime lending products available to homebuyers.

STRATEGIC ISSUE:

14. Concentrate on areas throughout MI where there is a lack of affordable housing.

INITIAL RECOMMENDATION(S):

1. Engage CEDAM to poll their membership with a basic assessment tool ascertaining demand for/supply of affordable housing. Key indicators to be used: Section 8 waiting lists, median sales price, median income, rental vacancy rates.

STRATEGIC ISSUE:

15. Engage CEDAM to poll their membership with a basic assessment tool ascertaining demand for/supply of affordable housing. Key indicators to be used: Section 8 waiting lists, median sales price, median income, rental vacancy rates.

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INITIAL RECOMMENDATION(S):

1. Create a Public Affairs Specialist at MSHDA for the purpose of continuing and increasing awareness of MSHDA and other lending products.
2. Pool funds from other lenders to collaboratively market affordable housing products.
3. Attend home and job fairs to promote MSHDA and other affordable housing products.
4. Partner with Habitat for Humanity to provide them with information that may assist clients that they are unable to help.

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WORKGROUP: LAND USE

OVERARCHING STRATEGIC ISSUES:

We are singling out two specific actions that we feel will have particular systemic impact on affordable housing in the land use arena:

1. Identify a sustainable source of money for the Affordable Housing Trust Fund, and
2. Increase state level coordination on land use issues by designating a state office of land use at the cabinet level (similar to the Office of the Great Lakes) that will coordinate actions to achieve the recommendations of the Michigan Land Use Leadership Council and serve as an ombudsman for additional sustainable development funding within the state. We envision four major tasks within this action:
 - Obtain executive level support for the office
 - Secure an Executive Directive or order creating the office
 - Designate key staff to serve in the office, and
 - Provide interagency training and education on the importance of the office

STRATEGIC ISSUE:

1. Transportation.

INITIAL RECOMMENDATION(S):

1. Increase Transit funding
 - a) Tie transit funding to new affordable housing development funds (see Atlanta model).
 - b) Create a revenue sharing strategy for regional cooperation in transportation.
2. Create Walkable Communities (bikeable).
 - a) Support legislation that would require school site selection to be subject to LOCAL planning and zoning.

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b) Enhance financial incentives for incorporating walkable routes for new (re)developments.
STRATEGIC ISSUE:
2. Regional Collaboration.
INITIAL RECOMMENDATION(S):
<ul style="list-style-type: none">1. Fair share of Affordable Housing in each community<ul style="list-style-type: none">a) Draft a regional fair share housing policy in state legislature. Set measurable affordability goals at the regional level and for local governments, and work with local government, the private sector and the state to ensure that the goals are realized..b) Develop incentives for local governments to remove regulatory barriers to affordable housing.

STRATEGIC ISSUE:
3. Anti-Sprawl Measures.
INITIAL RECOMMENDATION(S):
<ul style="list-style-type: none">1. Greenfield vs. Urban Development<ul style="list-style-type: none">a) Develop and drive development in areas w/ existing infrastructure and focus affordable housing in built communities. Provide incentives “for building in not out”.b) Recommend planning and zoning change the “rules of the game to even the playing field” by providing streamlined approach for urban revitalization. In other words, enable development in cities and developed areas to proceed as rapidly as in suburbs and open lands.c) Revise/update/ outdated zoning ordinances that presently are identified as promoting exclusionary zoning. Pass new ordinances.d) Require inclusionary land use ordinances at the local level and include the following provisions:<ul style="list-style-type: none">1. A threshold number of market-rate units that activates the inclusionary requirement for a corresponding percentage of affordable units.2. Incentives to assist the private sector in providing the affordable units, such as density bonuses, financial subsidy for construction, or down payment assistance to the affordable-home buyer.3. A provision for payment in-lieu when the nature of the development (for example, a development of exclusively half-million dollar homes) makes it infeasible to include affordable units.

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2. Zoning

- a) Promote mixed use zoning in communities; enable localities to permit combinations of land use in zoning districts where locally determined to be advantageous to land use functions and desirable in forming sustainable communities.
- b) Provide incentives (through a revised revenue sharing formula) to local units of government when they revise/update their existing zoning ordinances to allow for smart growth development patterns.

3. Planning

- a) Make sure that affordable housing sites are mass transit oriented (street design). Support a housing development density goal that is mass transit oriented (planning/site selection)
 1. Require every municipality in the State to adopt a housing element that addresses adequate and affordable housing for all current and future anticipated residents. (Also see regional collaboration)
 2. Require an affordable housing component in community master plans. By ensuring that affordable housing is addressed in the Plan, a community can lay the groundwork for ensuring that low and moderate income workers can remain in the community.
 3. Change state law to require regional planning agencies (COG's? County level?) to view affordable housing as part of its regular scope of responsibilities. Elevate w/ planning commission.

4. Revenue sharing linked to Affordable Housing/ Regionalism

- a) Update/revise the funding formula (when the present statute expires in '06) to include incentive based tiers of revenue sharing available to those local units exhibiting the incorporation of affordable housing and also addressing this issue on a regional basis with multijurisdictional cooperation.

STRATEGIC ISSUE:

4. Design

INITIAL RECOMMENDATION(S):

1. Pair Affordable Housing with Public Amenities and Services
 - a) Locate housing near existing infrastructure, including features and attractions such as schools, parks, greenways, bikepaths, community centers, as well as service infrastructure.
2. Devise Appropriately-Mixed Land use Arrangements
 - a) Determine appropriate mixes of land uses and their best locations, sizes and extent of land needed for those uses, and their optimal relations to transportation and other services.

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b) Establish more Land Banks locally (tax reverted, abandoned or blighted properties) to clear titles for re-sale and re-use, and specifically designating a percentage of these “ready to redevelop” parcels for affordable housing construction within each land bank’s jurisdiction..

3. Housing Rehab

a) Restore / rehabilitate housing which is adequate for continued use and fits overall integrated plan for community development.

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WORKGROUP: MULTIFAMILY HOUSING

STRATEGIC ISSUE:

1. Communicate Policy Objectives related to Rental Housing Development.

INITIAL RECOMMENDATION(S):

1. Identify developments financed under the direct lending, pass-through and 9% programs since 1987 that best exemplify achievement of policy objectives.
2. Use as example of successful family, workforce, etc. housing.
3. Consider request for proposals (RFP) for MSHDA direct lending programs to target specific Authority goals. Consider a process similar to QAP for direct lending programs.

STRATEGIC ISSUE:

2. Improve the Public Benefit of Rental Developments Financed or Funded by MSHDA.

INITIAL RECOMMENDATION(S):

1. Encourage the use of green communities criteria, with a target of achieving 100% of the direct loan projects using green criteria by 2010.
2. Analyze and compare 9% and Pass-through products with MSHDA direct loan products to evaluate the benefits of MSHDA's site selection criteria and design standards.
3. Explore the idea of MSHDA negotiating directly with funders/providers to increase level of services to residents (e.g., CATV and broadband service; day care funders; etc.).
4. Offer incentives to increase number of supportive housing units, (additional HOME funds, reduced interest rate) at commitment phase when development process is almost completed.
5. Evaluate the needs for Native American Housing and develop a setaside or funding program responsive to housing needs.

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6. Consider requesting Section 8 developments able to afford full taxes to do so on a voluntary basis.
7. Consider recommending modification of Section 8 tenant selection criteria to conform to policy objectives.
8. Survey MSHDA's current portfolio to identify the extent of services being provided in both family and senior housing. Develop a plan to encourage sponsors to increase the level and availability of services linkages.
9. Support the creation of a Michigan rental housing locator service.
10. Target vouchers to households less than 30% of AMI.

STRATEGIC ISSUE:

3. Make MSHDA direct lending programs more attractive to experienced developers so that within 2 years direct lending programs will use \$150 million of bond cap and create or preserve 2,500 or more units annually and within 5 years will be creating or preserving 3,500 or more units annually.

INITIAL RECOMMENDATION(S):

1. Underwriting Recommendations
 - a) Enhance training opportunities for HDOs, allowing them to handle multiple functions, particularly at the intake phase.
 - b) Allow HDOs to be effective advocates for a development once it's been accepted, and work with other MSHDA staff as a team to promote timely processing and quality underwriting.
 - c) Stick to published criteria (e.g., market capture rate thresholds published only for pass-through program but used in other programs).
 - d) Publish guidelines on how PILOT ordinances will be underwritten (e.g., if the formula includes a step up in percentage of rents, how will this be underwritten?).
 - e) Underwrite the likelihood that deferred developer fee will be paid within 15 years of placed in service date. Reconcile with Asset Management's current CNA practice.
 - f) Prepare a coherent policy regarding delivery of high-speed internet service to residents.

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- g) Provide a step-by-step guide to MSHDA direct lending to educate developers and staff and streamline the processing of loan.
- h) Formalize two-step underwriting process, plus initial site review and preliminary market review by staff. Board approval at second step.
- i) Measure speed of processing applications from intake to closing, with a goal of averaging 6 months.
- j) Blend taxable with tax-exempt bond proceeds to achieve greater efficiency of tax-exempt bond proceeds.
- k) Board members and executive director should attend ground-breakings and grand openings.
- l) Standardize MSHDA forms to assure ease of use by customers, transferability of information between MSHDA divisions/functions, and essential nature of information being collected. Recommend a staff position responsible for forms management for the entire agency. No form put on website without ok from that staff person.

2. Asset Management/Compliance Recommendations

- a) Establish range of management fees (like HUD) and other cost categories acceptable for underwriting. Test against database.
- b) Train asset management staff in communication and policy development skills.
- c) Evaluate current requirements and eliminate unnecessary ones (e.g., *monthly* MIE reports for good projects) to save costs for MSHDA and customers.
- d) Forms Management – see above.
- e) Eliminate premium management fees.
- f) Consider requiring replacement of management company before granting mortgage relief for problem projects.
- g) Use capital needs assessments for preservation projects only. Eliminate policy transferring funds in Operating Reserve Account go into Replacement Reserve based on capital needs assessments. (see recommendations regarding refinancing below).
- h) Analyze operating history of developments in MSHDA portfolio and 9% LIHTC developments using tax credit investor databases.

3. Policy Recommendations

- a) Allow for recapitalization/refinancing as alternative to current C.N.A./Replacement Reserve Funding policy: Permit *retroactively* the refinancing of all LIHTC developments done under the 80/20, 70/30, HOME Team Advantage and Team programs at 15 years after the placed

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in service date.

1. The regulatory agreement remains in place thereby retaining affordability restrictions for the remainder of the original loan.
2. Use proceeds to, first, fund the replacement reserve per the capital needs assessment, second, retire all or a part of the HOME loan or other soft financing, if any, third, pay balance of any deferred developer fee, and, fourth, facilitate the retirement of the investor.

Current policy is that the Authority *may* permit the refinancing prior to a loan's maturity date or date of permitted refinancing if the development's capital needs justify it. If public policy objectives are preserved and if the bond market (or current bond restrictions) permit it, the owner should be able to plan for a refinancing at about the time when the capital needs of the development significantly increase and the LIHTC compliance period ends. Current policy creates a deferred developer fee problem for owners; robs a successful development of cash flow and the means to pay for increased services for residents; and robs an owner of the incentive to maintain its property in the best condition. It ignores a pool of substantial capital that could be tapped to improve a development's condition. Current policy is a disincentive to attracting conscientious developers to the program.

- b) Alternatives to Extended Rent-up Reserves: To reduce risk in a soft market, consider underwriting at a 1.15 debt coverage ratio until a milestone is reached (e.g., breakeven operations for 6 months). This would be an alternative to underwriting with an increased vacancy allowance and/or funding rent-up reserves. Then re-underwrite at 1.0, 1.05 or 1.10 debt coverage. Use additional loan proceeds to, first, fund the operating assurance reserve at a level equal to a percentage of the mortgage (e.g., 5%), second, if necessary, use proceeds to achieve final closing, and third, refund the operating assurance reserve funded by the developer at initial closing and/or use it to reduce the deferred developer fee.
- c) Encourage Acquisition/Rehabilitation of Existing Rental Housing: To increase the number of units dedicated to extremely low income households (30% of AMI), establish a policy which will encourage the acquisition and rehabilitation of well located market rate developments using the TEAM program and the LIHTC. Large developments may accommodate a few households below 30% of AMI. These developments must be purchased at the right price for this to work.
- d) MSHDA Staff training: We recommend the decision makers at the Authority share a common vision as to the agency's policy objectives and convey this shared vision to all staff. We further recommend that the decision makers be cross trained to more fully understand the interrelationships between the various functions of the housing development process. All staff involved in development process (i.e., development, asset management, market, finance) should be familiar with and understand NCSHA's recommended "Best Practices".
- e) Revise (simplify) resale policy.

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STRATEGIC ISSUE:

4. Document the need for rental housing development and preservation, particularly in light of the state's economy (potential loss of pensions, manufacturing jobs, etc.). Determine through this analysis whether additional rental units need to be developed or if resources should be devoted to the improvement of existing stock, both federally assisted and conventionally financed.

INITIAL RECOMMENDATION(S):

1. Conduct a statewide housing needs assessment and update it regularly, to determine the need for development and preservation of affordable housing, including data on rent levels, amenities, and product-type. Seek public input as part of the assessment.
2. Contract market analysis review for the 9% tax credit program, based on product-type (senior, rural, supportive, family, preservation). It should also consider directly contracting for the market analysis for its lending programs, rather than having the developer contract for this function.
3. Consider directing a major portion of resources to the improvement of existing stock, particularly addressing affordability, quality, and units in danger of becoming obsolete, through short-term changes to the QAP and the redirection of other resources, such as HOME.

STRATEGIC ISSUE:

5. Create a coordinated Rural Housing Development strategy that recognizes the unique elements of financing, underwriting, operating, and designing rural housing, to serve all rural geographic areas of Michigan.

INITIAL RECOMMENDATION(S):

1. Define what qualifies as rural geographic areas.
2. Research databases of housing portfolios in those defined areas and identify the following data points:
 - a. # of units and population served
 - b. Incomes of residents and household makeup
 - c. Financing structure-debt, equity, subsidies, owner returns
 - d. Construction costs
 - e. Design standards

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- f. Operating expenses
 - g. Expiring use restrictions and/or subsidy contract periods
- 3. Use the research results to establish prototypes of what represents rural housing needs and issues.
- 4. Seek public input to further identify rural housing needs and issues.
- 5. Consider defining a quantified number of rural geographic areas for resource targeting purposes.
- 6. Consider the concentration of interagency resources (state, federal, FHLB, etc) into these separate geographic areas on a single area basis on a successive funding cycle (i.e. 2 years).
- 7. Review and adjust MSHDA market research standards based on a deeper understanding of the differences that exist in rural areas versus urban areas.
- 8. Consider a more effective use of 9% credits in conjunction with the RHS 538 program.
- 9. Consider more flexible interest rates in rural areas based on income levels and need for housing (difficult to develop areas.
- 10. Consider deferment of the some portion of interest on tax-exempt first mortgages and HOME loans.
- 11. Provide rent subsidy from the State (not Section 8 or RA) to rural proposals (i.e. Section 515) to make proposals more competitive for federal funds and to enhance the feasibility of non-Rural Development financed developments.
- 12. Increase the set aside in the QAP for rural development proposals and target increased amount to a geographically targeted rural area for a set period of time (i.e. 2 years).
- 13. Consider financing scattered site developments over several political jurisdictions.
- 14. Provide additional and appropriate technical assistance to rural applicants.
- 15. Provide incentives or mechanisms to incorporate supportive housing into rural housing developments.
- 16. Eliminate the current site location criteria regarding walkable communities. Reconsider and modify municipal infrastructure requirements.
- 17. Develop criteria that recognize the differences associated with rural areas.

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18. Continue and enhance support for training and technical assistance for Community Action Agencies involvement in affordable housing planning and development..

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WORKGROUP: NEIGHBORHOOD REVITALIZATION & COMMUNITY DEVELOPMENT

STRATEGIC ISSUE:

1. Identifying and leveraging resources for holistic community revitalization.

INITIAL RECOMMENDATION(S):

1. Pursue additional partners/non-traditional resources, including banks, DDAs, local EDCs, local neighborhood institutional partners (e.g., hospitals and universities).
2. Communicate clear criteria for using of limited state/federal resources in targeted communities/neighborhoods; select neighborhoods which:
 - Maximize growth potential and community impact (i.e., neighborhoods of strategic local importance.
 - Strengthen urban core communities and traditional downtowns.
 - Communities with clear objectives and the capacity measure results.

STRATEGIC ISSUE:

2. Creating economically and racially integrated neighborhoods.

INITIAL RECOMMENDATION(S):

1. Identify incentives that can be used to promote market-rate investment in “tipping-point” urban neighborhoods, such as Neighborhood Enterprise Zones, Brownfield SBT Credits and TIFs, etc., and align with local redevelopment strategies.
2. Identify sources to promote employer assisted housing without income restrictions.
3. Strengthen equal housing opportunities through such strategies as requiring “fair-share” inclusion of affordable housing units in every development and developing tools to promote mixed income housing developments.

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STRATEGIC ISSUE:

3. Aligning local and state resources and incentives to facilitate redevelopment.

INITIAL RECOMMENDATION(S):

1. Maximize integration of resources with other development incentives such as Downtown CDBG, Michigan Main Street, Downtown Blueprints, and Neighborhood Blueprints & Cool Cities.
2. Prioritize funding for communities that demonstrate capacity to facilitate redevelopment (comprehensive planning, efficient land assembly and site clean-up and preparation activities, expedited permitting, etc.).

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WORKGROUP: PRESERVATION

STRATEGIC ISSUE:

1. Identify recommendations to the QAP that favor preservation.

INITIAL RECOMMENDATION(S):

1. Allocate additional LIHTC to the Preservation Pool as follows:
 - Set aside 35% of LIHTC 9% rehab credits for preservation of properties that have federal assistance and where unmet needs exceed \$10,000 per unit
 - Utilize 9% LIHTC for those developments that cannot work using 4% LIHTC
 - Limit LIHTC to no more than \$500,000 in the 9% Preservation Pool. All applicants requesting more than \$500,000 should either compete for 4% credits or be placed in General Pool
2. Waive certain third-party reports under certain circumstances, or alternatively, permit “short form” reports.
3. Eliminate application points for applicants using HOME funds.

STRATEGIC ISSUE:

2. Improve interagency cooperation on inventory and programs.

INITIAL RECOMMENDATION(S):

1. Convene periodic interagency meetings to insure synergy of preservation goals.
2. Create an interagency (MSHDA, HUD, Rural Housing) inventory of federally assisted properties, possibly through a contractor, and design a mechanism for maintaining the database.
3. Create an interagency database of preservation programs and design a mechanism for maintaining the database.

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4. Design a mechanism for developers interested in preserving affordable housing to view (possibly web based) the interagency inventory data and programs.
5. Conduct a separate joint annual preservation conference for sophisticated developers and investors and participate in the Michigan Affordable Housing Conference.
6. Develop an cross agency marketing plan to advertise preservation programs and consider the possibility of identifying MSHDA/HUD/Rural top 10 most troubled properties.
7. Appoint an interagency team to assist developers interested in completing their due diligence and in understanding programs.
8. Work with HUD to create a certified “decoupling approved lender” process similar to being a MAP lender or Risk Sharing.
9. Consider purchasing foreclosed HUD 202 properties, or other formerly assisted properties, as a local unit of government and remarketing them with tax exempt financing.
10. Create interagency programs with MSHDA tax exempt financing such as USDA Demonstration Program and 202 preservation programs.

3. Recommend government funding priorities for preservation and target resources that increase the length and level of preserved affordability.

INITIAL RECOMMENDATION(S):

1. Identify properties most in need of preservation either through risk of converting to market rate or loss of subsidy due to deterioration and target programs accordingly.
2. Set aside enough bond cap to satisfy the demand for preservation of federally assisted properties eligible to prepay their MSHDA mortgages, opt out of their federal subsidy contract or where their affordable use restrictions will soon expire.
3. Set aside 9% LIHTC as noted in the recommendation for changes to the QAP.
4. Allocate HOME funds annually for use with 4% LIHTC transactions, but limit use to properties that are at risk of loss due to deterioration. HOME use would require that all other preservation options be exhausted.

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5. Consider allocating project-based vouchers for preservation possibly where units are made available for special needs.
6. Consider working with local units of government to combine CDBG with other preservation program.
7. Create preservation programs that provide a combination of the following incentives in exchange for the commitment to increase the length and level of affordability, maximize benefits to residents, and provide needed resident services:
 - Increase limited distributions
 - Higher developer fees
 - Waiving of oversight fees
 - Waiver of minimum rehab requirements
 - Waiver of Tax Abatement requirements
 - Use of federal and state resources such as CDBG, HOME, CDEF, and Project Based Section 8 Vouchers
8. Consider allowing bonding authority to other municipalities.

STRATEGIC ISSUE:

4. Develop strategies that insure quality of property and asset management.

INITIAL RECOMMENDATION(S):

1. Study other state housing agencies and multifamily lenders to determine best practices in the area of quality property an asset management.
Consider:
 - Initial Scope and minimum rehab requirements
 - Use and benefit of C.N.A.
 - Role of architect, plans and specifications
 - Managing the rehabilitation, including temporary relocation
 - Managing the possible transition in customers – transitioning from rent-based subsidy to LIHTC restricted units
 - Staff Training, including marketing experience
 - Replacement Reserve requirements, including initial capitalization and required contributions
2. Develop strategies that insure agent and owners implement best practices.

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3. Consider release of Operating Assurance Escrows (to owner, not to RR) when best practices and occupancy objectives are met.

STRATEGIC ISSUE:

5. Recommend and advocate legislation intended to increase preservation.

INITIAL RECOMMENDATION(S):

1. Working with and through appropriate interest groups (e.g. Michigan Housing Council, NSCHA, NLHA, etc.) actively advocate and support the following Congressional initiatives:
 - HR 3715 – Amends the IRS Code - provides an exclusion of gain from qualified sales of multifamily housing. It would also exclude from taxation the property depreciation amount involved in a “qualified sale or exchange of eligible multifamily property. This would act as an incentive for the preservation of affordable rental units
 - HR 2681 – Affordable Housing Tax Credit Enhancement Act of 2005 - doubles the current LIHTC allocation of \$1.75 per capita to \$3.70 per capita beginning in 2006, yielding twice the number of affordable housing units annually in an attempt to close the affordable housing deficit gap
 - HR 2636 – Housing Preservation Matching Grant Act of 2005 - authorizes matching grants to states, up to a 2:1 federal to state ratio, for preservation of affordable housing. Grants can be used for acquisition; preservation incentives, operating costs, and capital expenditures to preserve FHA insured properties, project-based Section 8 properties, or projects purchased by residents
 - HR 3194 – Housing America’s Workforce Act - creates a tax-based Employer Assisted Housing (EAH) program. The bill provides a tax credit to employers, equal to 50 percent of the cost of housing assistance offered to eligible low- and moderate-income employees. Rental assistance can be used toward security deposits and rental payments, while homeownership assistance can be used for such things as subsidizing down payments, closing costs, or contributions to an employee homeownership savings account
2. Working with and through these same interest groups actively oppose the President’s Advisory Panel on Federal Tax Reform recommendations to eliminate the Low Income Housing Tax Credit.
3. Evaluate and/or recommend the following state or federal initiatives (legislation) that help to promote affordable housing preservation:
 - Michigan – HB 4369 – provides local property tax exemption for certain older shopping malls in Michigan. Apply this concept to older housing development.
 - Michigan – amend MCLA 211.7(d) to provide for continued tax abatement for certain elderly and disabled developments that are refinanced but not necessarily owned by a non-profit or municipal entity
 - New York – SO199 – Affordable Housing Property Tax Assessment Bill – requires local assessors to assess affordable housing developments under the income approach to value excluding tax credits, subsidized mortgage financing and project grants
 - Illinois – has its own Illinois Affordable Housing Tax Credit which allows individuals/organizations to donate cash, securities, personal property/real property to participating no-profit housing developers, in exchange for 50-cent credit toward state income tax for every \$1

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donated to approved affordable housing creation

- Cook County also has a program that provide a 50% tax assessment reduction for Section 8 housing so long as housing remains affordable through HUD's market-market program. It also has a program granting 50% tax assessment reduction for major rehab
- Fairfax County, Virginia – offers a preservation tax abatement incentive for owners of buildings 20 years/older. Tax increases on improvements that raise property value by at least 20% are abated for 10 years or longer as long as rentals remain affordable
- Federal Legislation:
 - Authorize the continued use of Section 8 subsidy on REO family and non 202 elderly developments when purchased by a local unit of government
 - Authorize the transfer of Section 8 contract authority from one region/development of the country to another region/development
 - Permit existing tenants in a supportive housing development to use Project Based Enhanced vouchers
 - Limit rent paid by tenants receiving Enhanced Vouchers to pay no more than 30% of their income regardless whether or not it results in a decrease in the residents contribution

STRATEGIC ISSUE:

6. Understand the complexity and appropriateness of programs and regulations and identify and consider successful funding models.

INITIAL RECOMMENDATION(S):

1. Create and/or revise existing programs to achieve a simplified process through elimination of unnecessary bureaucracy.
2. Create financing models that maximize:
 - Length and level of affordability
 - Benefit to the residents
 - Resident services
 - The number of affordable units preserved
3. Create a tool to assist owners or prospective buyers to properly evaluate and choose the product(s) that best meet the needs of the parties and promotes long-term affordable housing preservation.
4. Identify and publish successful preservation product offerings.
5. Convene a team to annually to Identify other funding resources that leverage/supplement preservation products and publish.

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6. Disseminate preservation products and LIHTC information to industry representatives.
7. Partner with regional and national tax credit syndicators to market preservation products.
8. Create a bulletin board to match sellers and buyers.

STRATEGIC ISSUE:

7. Identify soft/saturated markets for rentals.

INITIAL RECOMMENDATION(S):

1. Commission a statewide market study that identifies the need for affordable housing.
2. Use the statewide study to prioritize or target preservation initiatives and the use of state or federal assistance to write down rents.
3. Underwrite preservation transactions using market study information on rents and vacancy projections.
4. Consider allocation of LIHTC for preservation based on study results.
5. Use study and focus groups to determine need/desirability for various resident services or amenity improvements and the effect they have on rents.

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WORKGROUP: PUBLIC AWARENESS

STRATEGIC ISSUE:

1. Understand and define what is affordable housing.

INITIAL RECOMMENDATION(S):

1. Survey and gain consensus from other workgroups.
2. Survey stakeholders on their definitions of affordable housing.
3. Continue research on affordable housing definition.
4. Utilize results from surveys and research into defining messages for a public awareness campaign.

STRATEGIC ISSUE:

2. Identify target groups.

INITIAL RECOMMENDATION(S):

1. Receive and review initial recommendations from other workgroups to identify target groups.
2. Prioritize target groups based on initial recommendations from work groups.
3. Identify ways of getting public perceptions of who needs targeting.
4. Develop target demographics for various segments of a public awareness campaign.

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STRATEGIC ISSUE:

3. Develop messages and communication vehicles.

INITIAL RECOMMENDATION(S):

1. Develop objectives for the public awareness campaign.
2. Define final target group matrix.
3. Research and create messages for target groups in the matrix.
4. Research and identify communication vehicles (eg: radio, TV, Website, etc.).

STRATEGIC ISSUE:

4. Plan on ways to reach target populations consistently.

INITIAL RECOMMENDATION(S):

1. Create a five-year budget for a public awareness campaign.
2. Raise funds to finance the public awareness campaign.
3. Plan the launch of the public awareness campaign at the Michigan Conference on Affordable Housing in June and continuation strategies.
4. Develop annual measures of success and amend accordingly.

STRATEGIC ISSUE:

5. Develop and cultivate elected officials, media champions, and ambassadors.

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INITIAL RECOMMENDATION(S):

1. Work with stakeholders to develop a list of potential elected officials, media champions, and ambassadors.
2. Meet with people on the lists and get buy-in.
3. Create communication links with people on the lists for information sharing and feedback.
4. Establish a training program for ambassadors.

STRATEGIC ISSUE:

6. Create tools to respond to campaign needs for the campaign duration.

1. Establish a governance framework.
2. Develop a regular reporting system to partners in the public awareness campaign.
3. Amend campaign strategy based on results from success measures, as needed.
4. Identify ongoing revenue sources to finance governance and the public awareness campaign.

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WORKGROUP: SUPPORTIVE HOUSING

STRATEGIC ISSUE:

1. Strengthen infrastructure through education and technical assistance to local nonprofits, public systems and housing providers.

INITIAL RECOMMENDATION(S):

1. Increase the potential for networking between key partners through sharing of “best practice” information. (Monthly meetings with participant access by phone or computer.)
2. Develop a Supportive Housing Institute for developers, service providers, and advocates. The Institute should offer various levels of training and programs on housing development, housing access, services and collaboration.
3. Coordinate training with sessions offered at the Michigan Affordable Housing Conference.

STRATEGIC ISSUE:

2. Assure that services are available and accessible to persons living in supportive housing, including services that allow people to remain in their own homes.

INITIAL RECOMMENDATION(S):

1. Address issue of “funding silos”.
2. Identify a dedicated stream of funding for services that allow service delivery to be easily accessible and responsive, 24 hours a day.
3. Develop a resource manual on information regarding successful supportive service models. (Funding, coordination, delivery).
4. Assure that “eviction prevention” services are readily available to tenants.
5. Identify barriers to providing services to tenants of supportive housing, and recommendations to address each one.

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STRATEGIC ISSUE:

3. Increase public support/political will by building an inclusive network of advocates and increasing public awareness. As a result reduce community opposition to supportive housing.

INITIAL RECOMMENDATION(S):

1. Commission a statewide cost-benefit analysis of supportive housing, similar to the New York, New York study.
2. Identify opportunities for collaboration between advocacy organizations.
3. Provide on-site training for planning commissioners, council members and developers on the nature of supportive housing and how to deal with community questions and opposition.
4. Develop a NIMBY guide for developers, planners and service providers.
5. Develop a media guide for consortiums, communities and continuums to use in addressing supportive housing issues.
6. Post the MSHDA program guide on the Web, as well as other relevant resource information.

STRATEGIC ISSUE:

4. Promote collaboration among Supportive Housing partners, including service agencies, developers and property management companies.

INITIAL RECOMMENDATION(S):

1. Provide key partners with information regarding ‘best practice’ efforts nationwide.
2. Develop opportunities for sharing through “round-table” discussions, workshops and conferences.
3. Identify incentives to encourage housing developers to partner with service organizations.
4. Identify issues that prevent people who are homeless or have a special need from accessing existing affordable housing units.
5. Develop a plan, in collaboration with existing property management companies that will address the need to house people who are homeless or have special needs within existing available housing units.

STRATEGIC ISSUE:

5. Identify resources and models for financing Supportive Housing.

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INITIAL RECOMMENDATION(S):

1. Identify potential funding streams that can be used to finance supportive housing developments.
2. Develop supportive housing financing models that take into consideration the following factors:
 - Size of the project
 - Experience of the project Sponsor
 - Compatibility of funding streams
 - Ability to Leverage
3. Develop a strategy for assisting developers to identify a financing model that would best meet their objective(s).
4. Create avenues of communication and training for new and existing supportive housing developers.

STRATEGIC ISSUE:

6. Develop a common definition of supportive housing that meets the needs of a broad constituency.

INITIAL RECOMMENDATION(S):

Recommend the following definition be approved by MSHDA and appropriate local and state partners:

Supportive housing is a successful, cost-effective combination of affordable housing and access to a wide array of supportive services for its residents in order to help them lead a more stable, meaningful life. Men, women, youth, and families with children may need supportive housing for a variety of reasons including:

- Homeless or at risk of homelessness;
- Poverty, with most earning 20% of median income or below;
- Chronic health conditions that are at least episodically disabling such as mental illness, developmental disabilities, HIV/AIDS, substance use issues, or other substantial barriers to housing stability (e.g. domestic violence, trauma, youth aging out of foster care, people exiting prison or jail who have a history of mental illness or disabilities, people transitioning out of nursing homes, or those having a history of out-of-home placements);
- Inability to obtain or maintain housing;

Ultimately would not be able to retain stable housing without tightly linked services.

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WORKGROUP: VOUCHER STRATEGIES & PROCESS

STRATEGIC ISSUE:

1. Serve those most in need (elderly, disabled, lowest income, homeless including the chronic homeless and homeless families with children, victims of domestic violence) with fewer resources. Look at AMI vs. Poverty Level, budget considerations, Payment Standards (in some areas too low), FIP eligibility levels, etc.

INITIAL RECOMMENDATION(S):

1. Compare AMI by county to the Federal Poverty Level adjusted for family size.
2. Review SSI and SSDI eligibility criteria.
3. Review current Office of Existing Housing Programs income policy.
4. Survey other partner programs (FIP eligibility, Poverty Level) to compare and with the objective of not excluding needy populations.

STRATEGIC ISSUE:

2. Accelerated expansion of the Homeless Preference Pilot to reach statewide over the next five years. In an ongoing effort to reach the most economically challenged members of our citizenry, OEH continues to work toward expansion of the Homeless Preference Pilot and welcomes partnerships with supportive housing initiatives, Continua of Care and special housing developments.

INITIAL RECOMMENDATION(S):

1. Define strong Continuum of Care.
2. Solicit feedback from Continua of Care.
3. Survey capacity of Housing Agents.
4. Meet with Supportive Housing staff to identify program models to accelerate the Homeless Preference Pilot
5. Educate Voucher Process Team on Housing First Initiative.
6. Define who is eligible and qualified for the Homeless Preference Pilot.

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STRATEGIC ISSUE:

3. Promote and provide education and opportunities for families to become economically self-sufficient and end the cycle of assistance to recycle the voucher to additional families in need.

INITIAL RECOMMENDATION(S):

1. Identify access to job placement and training services statewide
2. Determine self-sufficiency levels for urban and non-urban areas in Michigan
3. Establish a time frame in which self-sufficiency is to be attained
4. Promote participation in FSS and other asset-building, jobs and education programs available outside the Housing Choice Voucher program
5. Determine what should be included Housing Agent Briefings

STRATEGIC ISSUE:

4. Administer the Housing Choice Voucher with a blended management approach to voucher offerings and marketing, establishing relationships with local Continua of Care, service providers, affordable housing programs, and nonprofit housing agencies.

INITIAL RECOMMENDATION(S):

1. Continue to develop the relationship between the Housing Agent, local Continuum of Care, service providers, and landlord through training, communication and performance measures.

STRATEGIC ISSUE:

5. Achieve the highest efficiencies and disaster prevention by going paperless utilizing technology and tools including software, handhelds, and housing locator.

INITIAL RECOMMENDATION(S):

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1. Study the Massachusetts model for going paperless and learn from their experience.
2. Identify legal considerations for going paperless.
3. Identify intended and unintended consequences of going paperless.

STRATEGIC ISSUE:

6. Fully utilize the MSHDA website, Office of Existing Housing Program page, to be informational, educational, and user-friendly to those seeking rental assistance information.

INITIAL RECOMMENDATION(S):

1. Include links to Michigan Public Housing Authorities.
2. Meet with the Business Analyst/web coordinator for the Office of Existing Housing to determine ways to enhance current website.
3. information and make it user-friendly to those seeking rental housing assistance.
4. Participate in the development of the Housing Locator.
5. Study Housing Locator models.

STRATEGIC ISSUE:

7. Educate landlords regarding HQS, lead-based paint, program objectives and accountability.

INITIAL RECOMMENDATION(S):

1. Design and conduct educational mailings.
2. Contact the Dept of Community Health for lead paint training information and resources.
3. Initiate local level landlord briefings, in conjunction with the city, to explain rules and regulations of the program, mandatory.

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4. Research best practices of others.
5. Facilitate forum with other PHA's – they are under the same requirements, so let's do this together.
6. Ask HUD for videos of tenant and landlord briefings.
7. Pilot incentives for participation – preferred placement on a landlord listing, resources to correct deficiencies (i.e. grant dollars), criminal penalties related to legislation for landlords, environmental education and impacts on children.
8. Provide education on Fair Housing.

Update: A Landlord Briefing is being designed and implemented by OEH Detroit.

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WORKGROUP: INFORMATION TECHNOLOGY

STRATEGIC ISSUE:

1. We need to remove DIT Operational issues that hamper our daily work..

Objectives:

- Improve IT service delivery within MSHDA, and improve communication channels between DIT, MSHDA and DLEG
- Improve transparency of actions taken by DIT that affect MSHDA's technology environment as well as actions taken by MSHDA that affect the technology environment of the State
- Create rational IT procurement and maintenance policies
- Improve conflict resolution when DIT and MSHDA goals do not mesh

INITIAL RECOMMENDATION(S):

1. Define IT Communications Channels

Statement of current IT communications channels.

- DIT and MSHDA
- MSHDA Contractor/Vendor and DIT
- MSHDA Contractor/Vendor and MSHDA
- DIT Contractor/Vendor and MSHDA

2. Establish an IT Issues Log

To facilitate data grounded communications, collect topics of concern for review and historic reference.

- Post Issues Log on MSHDA Intranet
- Suggested items for Log:
 - o Person reporting the issue
 - o Date of when the issue was first reported
 - o Short description of issue
 - o Who resolved the issue
 - o Date of resolution

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- o Short description of resolution

3. Establish Regular IT Meetings

To facilitate the dissemination of information, we must collect, report, and pass along information at regular MSHDA and DIT meetings.

- Weekly Review Meeting
 - o Post meeting minutes on MSHDA Intranet
 - o Topics:
 - Project status and review
 - Project planning
 - Issues Log review
 - Contractor, MSHDA, and DIT Conflict review
 - Report out on DIT Day Start Meetings
 - Review Quarterly Liaison meeting
 - Review MITEC meeting (once a month)
- Monthly Executive IT Review Meeting with Michael DeVos
 - o Post meeting minutes on MSHDA Intranet
 - o Topics:
 - Summary of last months Issues Log,
 - Update on project progress,
 - Update on MITEC meeting,
 - Update on Quarterly Liaison meeting.

4. Establish Communications Representatives

To facilitate communications, MSHDA and DIT need to establish communications representatives from both sides.

- Communications Representatives
 - o DIT representative
 - Account Representative housed at MSHDA
 - Responsibilities:
- Monitor and participate in the Weekly Review Meetings (see Weekly Review Meeting).
 - o Report on any MITEC updates
 - o Review of DIT Day Start Meetings
 - o Status of Issues Log resolutions

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- Monitor, and participate in the Monthly Executive IT Review Meeting (See Monthly Executive IT Review Meeting),
 - o Report on any MITEC updates
 - o Report on upcoming Projects
 - o Summary of current project status
 - o Summary of Issues Log resolutions
- Communicate and follow up on findings with appropriate DIT staff.
 - o MSHDA representative
 - Executive Business Analyst
 - Responsibilities
- Host, monitor, schedule, and participate in the Weekly Review Meetings (see Weekly Review Meeting).
 - o Review new Issues in the Issues Log,
 - o Status of current projects,
 - o Summary of Quarterly Liaison (get from Al Pohl)
- Host, monitor, schedule, and participate in the Monthly Executive IT Review Meeting (See Monthly Executive IT Review Meeting),
 - o Report on any MITEC updates
 - o Report on upcoming Projects
- Communicate and follow up on findings with appropriate DIT staff.

5. Create rational IT procurement and maintenance policies

Facilitate the dissemination and coordination of information about procurement policies and procedures.

- Annual maintenance review
- Include procurement process flow within DIT service level agreement
- Use MSHDA Intranet pull timely procurement information from:
 - o DLEG
 - o DMB
 - o DIT

6. Improve conflict resolution when DIT and MSHDA goals do not mesh

The clash of personality and technology often create drag and hamper the smooth operation of our organization. The world is not perfect, and our systems are only going to get more complex, so we must find a way to identify and resolve conflicts.

- Develop and Define conflict types
- Develop procedures to facilitate the resolution of conflicts

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STRATEGIC ISSUE:

2. We need to do a better job of sharing information with other internal, state, local and federal entities in order to better serve our stakeholders.

Objectives:

- Leverage information ... information sharing with other agencies for the purpose of reducing data duplication and improving information accuracy
- Leverage information for purpose of reducing overall cost of service
- Determine how information sharing between MSHDA and other State agencies will improve Michigan's ability for extending programs and services to income eligible families
- Uncover the strategic questions being asked, so data/systems can be created to answer those questions

INITIAL RECOMMENDATION(S):

1. Define Sharing types:
 - Within State Government
 - o Between MSHDA Divisions,
 - o Between Departments,
 - Business to Business
 - o Between MSHDA and Lenders
 - o Between MSHDA and nonprofits
 - o Between MSHDA and housing developers
 - Business to Customer
 - o Between MSHDA and the Public
2. Participate in the State's efforts to warehouse data for cross-referencing.
3. RFP for collecting data on client history for sharing and analysis.
4. Contact current state agencies doing this kind of sharing.

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STRATEGIC ISSUE:

3. We need better awareness as to our role in delivering objectives of the Governor's Office and other Agencies' Strategic plan.

Objectives:

- Improve awareness of the State's other strategic plans, and communication of those plans

INITIAL RECOMMENDATION(S):

1. Align MSHDA's systems to Governor's and DLEG's Action Plans.

- Link plans from Internet and Intranet to MSHDA's intranet

2. Leverage DIT's inventory of current IT initiatives.

- Review for commonalities
- Leverage existing resources
- Look for partners

3. Establish Forums for Collaboration

Examples:

- Cool Cities
- Homeless policy academy
- Center for Regional Excellence

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WORKGROUP: VALUING MSHDA EMPLOYEE'S

STRATEGIC ISSUE:

1. Lansing/Detroit Offices:
 - a) Detroit Office does not have equal accommodations and equipment.
 - b) Inclusion of Detroit staff in all activities and communications.
 - c) Host activities in Detroit or a central location.
 - d) Lack of Detroit promotional opportunities.
 - e) Lack of training opportunities in Detroit or central location.
 - f) Unequal distribution of work load between Lansing and Detroit staff.

INITIAL RECOMMENDATION(S):

1. Have a person that is in charge of the facilities for all complaints to be streamlined through.
2. Make all staff-wide announcements simultaneously so that everyone is informed at the same time.
3. Have a semi-annual or annual meeting in a central location between Lansing and Detroit for all staff to attend. For smaller meetings that equal Detroit/Lansing staff will be at, have Lansing staff take a trip to Detroit some days instead of always having the Detroit staff come to Lansing.
4. When vacant positions become available in Lansing, managers should think about if this position could be filled in Detroit.
5. Use video conferencing equipment when possible in lieu of commuting.
6. Hold Asset Management, Legal and Existing Housing's staff meetings in Detroit on a rotating basis. Possibly once per quarter Lansing staff goes to Detroit.
7. Equalize caseloads between Lansing/Detroit staff.

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STRATEGIC ISSUE:

2. Improving Employee Morale
 - Employee work environment needs improving
 - Lack of inclusion in decisions that impact employees

INITIAL RECOMMENDATION(S):

1. Research feasibility of building improvements (i.e. showers, work-out room).
2. Healthier on-site food options.
3. Hold open forum for all employees to provide additional work environment improvement recommendations.
4. Establish divisional goals through inclusion.
5. Conduct follow-up MSHDA staff survey.

STRATEGIC ISSUE:

3. Recognition and Appreciation

INITIAL RECOMMENDATION(S):

1. Recognize New and Current Employees
 - Create a central clearinghouse for new hires and promotions and include in Homefront. Take pictures and post to intranet.
 - Senior Managers promote their divisions and individuals in Homefront.
 - Create a “significant award”. Criteria will need to be set up.
 - Create “Employee of the Month” award and provide a special parking place for that employee. Criteria will need to be set up. Should be a random drawing
 - Establish an employee appreciation day.
 - Send staff on field trips.

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- Establish a practice of sending staff thank you notes.
- Establish funding for recognition rewards.

2. Social Events

- Recognize new staff at least quarterly at scheduled recognition and/or staff type meetings.
- Create more and continue social fun events. e.g. MSU/U of M tailgate, Chili Cook-off, Ice Cream Socials, yearly holiday staff meeting/party
- Regularly scheduled Director informal meetings with staff. Example: ½-1 hour long once a month rotating between Lansing and Detroit offices where director will answer questions or address concerns from newly established question/suggestion box. In addition update staff on current events at MSHDA.
- Yearly recognition event at which more than number of years of service is recognized.

3. Benefits

- Check into merit increases/pay incentives in conjunction with awards. Merit increases should be considered for all staff at top of level to equalize pay scale for all MSHDA employees
- Train all directors and others who evaluate staff to ensure everyone is evaluated with a consistent understanding of evaluation criteria for performance evaluations i.e. “meets expectation” or “exceeds expectation”.
- Check with unions concerning flex time to ensure that all staff would be able to enjoy this benefit.
- Establish a suggestions box.
- Create a Good Will Ambassador program.
- Once a month have massages available to staff as part of reward/recognition. (Possibly LCC students)
- Gift box for recognition rewards.

STRATEGIC ISSUE:

4. Growth Opportunities:

- Inconsistent growth opportunities between divisions
- MSHDA’s structure is a barrier to growth opportunities
- External factors, i.e., DLEG & Civil Service

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INITIAL RECOMMENDATION(S):

- Create growth opportunities that are promotional through giving consideration for internal-only postings where feasible
- Educate managers on career development through employee performance evaluation process
- Educate staff on their responsibilities regarding career development
- Provide staff with tools needed to achieve career and personal goals by establishing a five-year plan including action steps to achieve goals
- Develop mentoring program for all staff
- Ask MSHDA director to meet with DLEG and/or Civil Service regarding our bureau status
- Re-establish Ambassador Program where staff visits cities and makes presentations

STRATEGIC ISSUE:

5. Management Issues:

- Unfair hiring/promotion practices, i.e., friends, student assistants, lack of minorities, etc.
- Management issues: improve hiring process, implement employee career development
- Favoritism by management is unfair
- Inconsistent performance evaluations by manager
- Lack of manager accountability
- Lack of management support for employee decisions that are based on policy/procedure

INITIAL RECOMMENDATION(S):

- Include someone from outside the division (approved by Human Resources) on all interview panels
- Review current hiring practices and address pre-selection
- Educate managers on the hiring process
- Provide on-going management training to cover topics such as managing people, managing processes, managing projects, improving communication, etc.
- Implement the recommendations made by the Training and Education sub-group
- Provide equal opportunities for all staff to participate on special projects/assignments, i.e., Ambassadorship program

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STRATEGIC ISSUE:

6. Policies and Procedures within MSHDA.
 - a) Policies and procedures are changed too often.
 - b) Inconsistent policies among divisions, i.e., sign-in process, use of leave time, flexibility of schedules, etc.
 - c) Staff not treated the same based on level.
 - d) Necessary differences between divisions are not respected.

INITIAL RECOMMENDATION(S):

1. Guidelines should be set regarding MSHDA-enacted changes to policy in order to assure that all employees working with the program have adequate input regarding change.
2. All staff will be made aware of MSHDA policy on these issues and managers enforce accordingly by creating a clear and consistent policy across all divisions.
3. Managers need to be aware of constraints on certain employees and work to provide opportunity for these employees to be able to participate on MSHDA committees, parties, etc.
4. Consistency in allowing divisions to have activities that include their entire staff should be established and attempts made to ensure that all divisions have the same opportunities available to them.

STRATEGIC ISSUE:

7. Training and Education.

INITIAL RECOMMENDATION(S):

1. Periodic brown bag lunches on various topics of interest and need. These will address professional and/or personal interests.
2. Write a Training and Education policy. This policy should address such topics as:
 - a) sexual harassment

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- b) fair housing
 - c) equal opportunity
 - d) substance abuse
 - e) technology skills
 - f) professional growth skills
 - g) diversity
 - h) etc.
3. Establish a Training Coordinator position; one person for all of MSHDA and one for each division.
 4. Write a New Employee Orientation program.
 - a) Include a video for divisions and all of MSHDA that will welcome & acclimate new employees.
 5. Produce and distribute new employee information packages.